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DEPARTMENT OF STATE INSTRUCTION

52

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(Security Classification)

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883A.05111/7-160 CS/G

NO.: A-1, July 1, 1960,

SUBJECT: Memorandum of Conversation between Mr. Meek and Mr. Beckner, June 28, 1960

BEIRUT

TO: American Embassy, Lebanon

The Department would appreciate receiving any information available to the Embassy on the activities of Mr. Meek and the group he claims to represent.

HERTER

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DRAFTED BY: ERB
OR:FSD:ERBeckner:mek 6/30/60

APPROVED BY: ERB
OR:FSD:ERBeckner

CLEARANCES:
NE - Mr. Duncan
ERB

S/S-CR
JUL 1 1960 P.M.

883a.05111/7-160

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By PT NARA Date 7/23/04

INCOMING AIRGRAM *Department of State* ACTION COPY

34
Action
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B 0 1 9 2 1
PAGE 1 OF 1 PAGES

Date Sent: August 17, 1960
Rec'd:

Info
FROM: Amembassy BEIRUT
NEA TO: SecState WASHINGTON
RMR NO: G-37

AUG 18 5 19 PM '60

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REF: Instruction A-1, July 1, 1960

No trace of Meek found so far.

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883A.05111/8-1760

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AUG 19 1960 AUG 22 1960
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8/19/60
DEPARTMENT OF STATE
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By PT NARA Date 7/23/04

AIR POUCH
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883a.05111/10-2060

FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Beirut.

252
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

October 20, 1960.
DATE

REF :

For Dept. Use Only	ACTION REC'D	DEPT.
67	Com-12 10/25	Rup-1 INR-7 E-7 ICA-11 NEA-4
		OTHER CIA-10 INT-7 USIA-10 TR-3 XMB-4 FRB-3

SUBJECT: Opportunity for Investment in a Bitumen Mine in Hasbaya, Lebanon. TAR-2

FOR COMMERCE

The Embassy wishes to transmit an opportunity to participate in the exploitation of a bitumen mine in Hasbaya, South Lebanon.

U. S. participation in the exploitation of a bitumen mine in Hasbaya, Lebanon, is sought by Nassib Gobril, c/o Alexandre Gobril, Diab Building, Rue El-Arz, Beirut, owner of a concession for producing bitumen in the Hasbaya region. The concession covers an area measuring three kilometers long and two kilometers wide. Most of the work has been done in the south-western section of this area. The total length of tunnels already worked is about 850 meters. Actual annual production of the mine is approximately 100 metric tons of bitumen, of which from 70 to 80 tons are exported annually. Average purity of the bitumen produced is 99 percent. All of it is one grade, except a very small part at the surface of the layer.

The approximate minimum amount of capital required from U. S. participants to make the mine economically productive is 80,000 U.S. dollars. The terms of participation will be agreed upon with the prospective participants.

883A.05111/10-2060

For The Ambassador,

T. H. E. Nesbitt

T. H. E. Nesbitt
First Secretary of Embassy

LWS

HAyoub:nm
REPORTER

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Authority NND 949569
By PT NARA Date 7/23/04

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883a.05111/1-3061

FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Beirut. 528 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. January 30, 1961 DATE

REF : 1957 CERP, Section D, II-A-4; also BER Embdesp. 491, January 19, 1961

JAN. 30 1961

For Dept. Use Only	ACTION	DEPT.
	Com-10	INFO Ref-1 INR-7 ICA-11 NEA-4 E-7 L-2
	REC'D 2-2-61	OTHER CIA-10 XMB-4 TR-3 FRB-3

SUBJECT: Protection of American Industrial and Commercial Interests : The GREENLEAF Case.

FOR COMMERCE

SUMMARY

In October 1960 the egg and baby-chick producing GREENLEAF CO. lost its export licence. As a result of a three-month endeavor, beginning in November and ending in January, it succeeded, with Embassy assistance, first in obtaining a new licence renewable by month, and then in gaining exemption from the necessity of operating with an export licence.

* * * * * *

Since the first week of November 1960 the Embassy has been engaged in a double effort to protect the industrial and commercial interests of the American-controlled GREENLEAF FARM and HATCHERY Co., which lost its export permit in October 1960; and to insure the continued delivery of fresh eggs, at the request of the Second Air Division, US Air Force, from Beirut to Dhahran Airfield in Saudi Arabia. Having now accomplished both its objectives, the Embassy wishes to report, in accordance with the reference CERP requirement, a summary of its activities in the GREENLEAF case.

GREENLEAF FARM and HATCHERY has been an eminently successful American business venture in Lebanon (see TIME magazine, February 8, 1960 and HARVARD LAW SCHOOL BULLETIN, XI (June 1960) pp 4-6) which has been able to attract the investment interest of the US firms IBEC and ARBORACRES. At its farm in the fertile Bekaa Valley, GREENLEAF produces, for domestic consumption as well as for export, eggs and baby chicks. Its chief consignee outside Lebanon has been the Second Air Division, USAF, at Dhahran Airfield, to which it is under contractual obligation until July 1961 to ship 75 cases of fresh eggs per week (125,000 eggs per month) at a price of 188½ PL ($0.60) a dozen. The success of the GREENLEAF business venture has been made possible by contracts with the Second Air Division and with other consumers in Middle Eastern countries. Since the signing of the present contract with GREENLEAF, USAF personnel at Dhahran have become dependent upon weekly egg shipments from Beirut. Uninterrupted deliveries were contingent upon possession by GREENLEAF of a Lebanese export licence.

883A.05111/1-3061

LWS

FILE

FEB 14 1961

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REPORTER

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By PT NARA Date 7/23/04

On October 4, 1960 the Lebanese Government, in its Decree No. 529/A/341, prohibited the export of eggs from Lebanon. The Government's action was due to a desire to lower the price of eggs on the domestic market as a part of the current drive against the high cost of living. The issuance of the decree, however, rendered invalid GREENLEAF's export licence to continue shipments to Dhahran and elsewhere in the Middle East, and also reduced it to producing for domestic consumption exclusively. Since GREENLEAF's success as a business venture was due to access to export rather than domestic markets, it appeared unlikely at this point that the company could continue operating at a profit in Lebanon. A closing down of the plant, a possibility which the Directors then envisaged, may have had an unfavorable influence on the course of future US investment in Lebanon.

During the first week of November 1960 Mr. R.M. Stevenson, Chairman of the GREENLEAF Board of Directors, called at the Embassy and requested assistance in assuring the continued existence of his firm in Lebanon and specifically the Embassy's good offices in obtaining revalidation of his export licence. In compliance with his request an officer of the Embassy immediately established personal contact with Minister of National Economy Suleiman al-Ali and Acting Minister of Finance Maurice Gemayel. A previous contact between Mr. Stevenson and Minister Al-Ali had yielded no result; GREENLEAF had no entree with Minister Gemayel. In the course of an interview with the latter, to which Mr. Stevenson was accompanied by an Embassy officer, GREENLEAF's predicament and the desire of the US Government to encourage American investment in Lebanon, present and future, was explained at some length. Thanks to the sympathetic interest of Minister M. Gemayel, who immediately put in a telephone call to Minister Al-Ali, a second visit to the latter by Mr. Stevenson and an Embassy officer proved successful and a promise was obtained that an export licence would be issued to GREENLEAF within the next few days. In keeping with the promise, an export licence for November was issued on November 2, 1960, renewable on a monthly basis (see Enclosure I). At the same time GREENLEAF was advised that a permanent export licence would eventually be issued as soon as a desirable domestic price level for eggs has been established. Minister M. Gemayel, in a private conversation with the reporting officer, stated that he was anxious to keep GREENLEAF in Lebanon, especially in view of its ability to attract the investment interest of IBEC and ARBORACRES. Sheikh Maurice further stated that his economic policy stressed the encouragement of US investment in Lebanese production facilities for export purposes in order to redress Lebanon's unfavorable balance of trade with the rest of the world.

Upon the expiration of the November export licence, GREENLEAF was granted another permit for December. During the first week of January 1961, however, Mr. Stevenson was informed by the Ministry of Agriculture that no more temporary export licences would be issued until the Government reaches a general policy decision on the entire matter of egg exports. This development brought renewed requests to the Embassy both from GREENLEAF and from the Second Air Division for intervention to obtain a new export licence and an uninterrupted supply of eggs to Dhahran (see Enclosure II). While working toward the first objective (two Embassy officers were assigned to the case in relay during the first three weeks of January), the Embassy was also able to comply with the request of Dhahran, which continued to receive its weekly supply of fresh though inferior quality eggs from a Lebanese firm. This firm succeeded in obtaining an export licence upon presentation of a

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customs certificate purporting the import from the Syrian province of a quantity of eggs twice the amount to be shipped to Dhahran. Under export regulations existing during the first three weeks of January 1961, 50 percent of egg imports could be exported. GREENLEAF, which produces but does not import eggs, was not able to obtain an export licence on this basis.

In fact, during the second week of January (see Enclosure III) the Ministry of National Economy formally disapproved GREENLEAF's application for an export licence. In the course of several visits to the Embassy, the GREENLEAF directors were assured that effort on their behalf was continuing but that several weeks may pass before results could be obtained, (see Enclosure IV). The immediate cause of the delay was that Minister M. Gemayel had been involved in an airplane accident and could not personally attend to the case from his hospital bed. Finally, however, on January 23 the Embassy was informed by one of its contacts that a new decree would be published within the next 48 hours, exempting exporters of eggs from the necessity of obtaining an export licence. The decree (No. 35 of January 23, 1961) was issued as promised, to the great joy of both GREENLEAF and the Second Air Division (see Enclosure V). The Embassy sincerely hopes, in the interest of both parties as well as in its own, that there will be no more untoward interference with the American company's freedom to export its products from Lebanon.

For the Ambassador :

Leslie C. Tihany
First Secretary of Embassy

Enclosures :
I. Letter from GREENLEAF to Dhahran, January 9, 1961
II. TWX from Second Air Division, Operation Location, Beirut to Dhahran, January 20, 1961
III. Letter from GREENLEAF to Dhahran, January 13, 1961
IV. TWX from Second Air Division, Operation Location, Beirut to Dhahran, January 13, 1961
V. Press item L'Orient, January 26, 1961.

cc : Dhahran

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Authority NND 949569
By PT NARA Date 7/23/04

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Page 1 of
Encl. No. 1
Desp. No. 528
From Beirut.

COPY

9 January 1961

P. & C. Officer, USAF
2nd Air Division (USAF)
Dhahran Airfield
Saudi Arabia

Dear Sir :

I regret to inform you that as of now, in spite of every effort, we have not been able to obtain an export licence which will permit shipment of eggs to you under our contract.

Until now we have been obtaining export licence on a month by month basis, made possible by the assistance of the U.S. Embassy. The Ministry of Agriculture now advises us that no more export licences of this nature will be granted until the Government reaches a general policy decision on the entire matter of exports of eggs.

We are continuing to attack this problem and hope that during this present week it may be finally resolved. In the meantime, we are holding in reserve for you 100 cases of eggs which we can ship as soon as the export licence is received.

Very truly yours,

(Sgd.) R.M. Stevenson

RDR:ck

cc: Capt. Grosswiler
Mr. Tihany

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Authority NND 949569
By PT NARA Date 7/23/04

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Page 1 of
Encl. No. 2
Desp. No. 528
From Beirut.

COPY

HQ 2ND AIR DIVISION (USAFE)
OPERATION LOCATION
BEIRUT LEBANON

OUTGOING 20 JAN 61

ROUTINE

1000Z 85 GROUPS

FROM OIC O/L BEIRUT LEBANON

TO COMDR. 2ND AIR DIVISION AFLD SAUDI ARABIA

UNCLAS. OLB 26. ATTN: MDM, PC. MR. TIHANY OF ECONOMIC DIVISION

AMERICAN EMBASSY STATES GREENLEAF EXPORT PERMIT PROBLEM HAS BEEN

REPORTED TO AMBASSADOR AND THE DEPARTMENT OF COMMERCE.

AMBASSADOR HAS INSTRUCTED MR. TIHANY TO INSURE THAT 2ND AIR DIV.

IS ABLE TO OBTAIN UNINTERRUPTED SUPPLY OF EGGS FROM LEBANON

REGARDLESS OF SOURCE. GREENLEAF PRESENTLY UNABLE TO OBTAIN PERMIT.

ABELA ADVISES HE CAN SUPPLY QUANTITY NEEDED FOR 24 JAN SHIPMENT. ADVISE

OFFICIAL

GEORGE W. GROSSWILER
CAPT. USAF, OIC, OLB

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Authority NND 949569
By PT NARA Date 7/23/04

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(Classification)

Page 1 of
Encl. No. 3
Desp. No. 528
From Beirut.

COPY

13 January 1961

P. & C. Officer, USAF
2nd Air Division (USAF)
Dhahran Airfield
Saudi Arabia

Dear Sir :

Further to my letter of 9th January 1961, I regret to advise that the Minister of Economy has finally disapproved our request for an export licence on behalf of the U.S. Airforce. They apparently intend to enforce the decree prohibiting the export of Lebanese eggs and at this point there does not appear to be any recourse to the decision. We are however continuing to work closely with the U.S. Embassy on this matter.

With respect to your alternate source of eggs here in Beirut that supplier does have an export licence authorizing only the re-export of eggs imported from abroad. It is, of course, illegal for him to substitute Lebanese eggs to be exported to you - however, we do not intend to intervene in this matter because we are of course interested that you should receive eggs from some source. Our exclusion as a supplier results in an extreme hardship on us at this time because we have recently cancelled our contracts with other customers in order to insure an adequate supply to the Air Force. It is to be hoped that you will be able to consider our position and if we should be ultimately unable to obtain a legal export licence in your favour that you will develop a source of supply other than Lebanon. I repeat that the licence application just disapproved, after the favorable support given by two other Ministers, was exclusively on behalf of the U.S. Air Force - there is no existing legal way for you to obtain Lebanese eggs.

Very truly yours,

(Sgd.) R.D. Rhea
for R. M. Stevenson

RDR:ck

cc: Captain Grosswiller
Mr. L. Tihany

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Authority NND 949569
By PT NARA Date 7/23/04

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(Classification)

Page 1 of
Encl. No. 4
Desp. No. 528
From Beirut.

COPY

HQ 2ND AIR DIVISION (USAFE)
OPERATION LOCATION
BEIRUT LEBANON

OUTGOING 13 Jan 61

PRIORITY

144 GROUPS

1200Z

FROM OIC O/L BEIRUT LEBANON

TO 2ND AIR DIVISION DHAHRAN AFLD SAUDI ARABIA

UNCLAS. OLB 17. ATTN : MDM, PC, SC-1. GREENLEAF DENIED EXPORT PERMIT TO SHIP EGGS TO DHAHRAN TO FULFILL CONTRACT. THE FAILURE TO GRANT PERMIT WAS BASED ON FACT THAT THE DECREE AUTHORIZED AN IMPORTER TO EXPORT UP TO FIFTY PER CENT OF TOTAL IMPORTS. AS GREENLEAF DOES NOT IMPORT THEREFORE THEY CANNOT EXPORT, CONTRACT OR NOT. MR. TIHANY OF THE ECONOMIC DIVISION AMERICAN EMBASSY IS FULLY AWARE OF THE SITUATION AND ADVISES THAT IF THE DECISION CAN BE REVERSED THAT IT WILL TAKE SEVERAL WEEKS OF NEGOTIATIONS AT THIS LEVEL. HE FURTHER STATED THAT HE WOULD BRING THIS MATTER TO THE ATTENTION OF THE AMBASSADOR AND THAT THERE IS A POSSIBILITY THAT THE AMBASSADOR MAY DISCUSS THE MATTER WITH THE PRIME MINISTER OR PRESIDENT. ABELA CAN SUPPLY NECESSARY QUANTITY OF EGGS FOR 17 JAN SHIPMENT. ADVISE.

OFFICIAL

GEORGE W GROSSWILER
CAPT., USAF, OIC

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DECLASSIFIED
Authority NND 949569
By PT NARA Date 7/23/04

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Page 1 of
Encl. No. 5
Desp. No. 528
From Beirut.

Press Item L'Orient, January 26, 1961

LIBRE EXPORTATION DES OEUFS ET VOLAILLES

Un arrete diffuse par le ministere a dispense les exportateurs d'oeufs de la licence prealable, qui avait ete imposee a certains produits alimentaires en octobre dernier. L'exportation des volailles locales, et la reexportation des volailles et des oeufs importes ont ete aussi autorisees.

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Authority NND 949569
By PT NARA Date 7/23/04

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PAGE 1 OF 1 PAGES

Date Sent: February 9, 1961
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1961 FEB 13 AM 7 01
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RMR

FROM: Amembassy BEIRUT

TO: Secstate WASHINGTON

NO: G - 152

883A.05111/2-961

RM/R

At my staff meeting yesterday Consul Snidow reported that several American businessmen have been much hampered in getting established in Beirut by the recent enforcement of a long-latent Lebanese regulation requiring certification as to the bona fides of American companies whose representatives are stationed in Lebanon. Apparently this requirement, which dates from the early days of the Arab boycott of Israel, requires a certificate from the Lebanese Ambassador in Washington as to the identity of the American company concerned, the authenticity of the signatures of its principal officers, and a general statement that the company is not helping Israel. Apparently through some excess of zeal on the part of the Lebanese Surete this cumbersome mechanism has now been re-activated, and several American business representatives have had difficulty in getting work permits or even in clearing their household effects through customs.

During my call yesterday on the Foreign Minister, who was closeted with Prime Minister Saeb Salam, I took occasion to point out the anomaly of these two statesmen constantly stressing Lebanon's desire to encourage foreign business enterprise and the recent application of a hampering decree which had precisely the opposite effect. Saeb Salam had never heard of such a regulation but was informed by his Foreign Minister that such a decree was on the books and was now being strictly enforced by the Surete. Both ministers agreed that the situation was ridiculous and promised to take appropriate action.

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MC CLINTOCK

RMcClintock:mam
February 8, 1961

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PAGE 1 OF 1 PAGES

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NEA
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RMR

FROM: Amembassy BEIRUT

TO: Amembassy CAIRO

NO: G-165

Date Sent:
Rec'd:

Feb. 15, 1961

FEB 21 2 50 PM '61

~~Reference~~ Your G-93, February 9, 1961
~~XX~~ Reference

Messrs. Heise and Ouroussoff, Overseas Distributor and Supplies Operations representatives (Ford) for the Middle East in Beirut, disclaim jurisdiction over Egypt and state that (a) proper action in Birch case rests with Ford plant Alexandria for all policies involving sales, service and distribution Egypt, and (b) Ford plant Alexandria under direct supervision of Mr. H. E. Jones, Regional Director for Europe and Egypt, Ford International Group, American Road, Dearborn, Michigan, and Mr. Joseph Roda, Director, Ford of Egypt, who will be arriving in Cairo within next ten days.

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Note: Reference airgram not repeated Dept.

883A.05111/2-1561 HBS

DEPARTMENT OF STATE
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MESSAGE CENTER

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2/14/61

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ACTION ASSIGNED TO: J Proctor	ACTION TAKEN: No Reply necessary		
NAME OF OFFICER & OFFICE SYMBOL: E Message Center	DATE OF ACTION: 2/24/61	DIRECTIONS TO RM/R: File	

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Authority NND 949569
By PT NARA Date 7/23/04

NEA:NE:WRCrawford:mer

8/1/61

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 28, 1961

SUBJECT: Appreciation for Department's Assistance: Francois Jabre

PARTICIPANTS: Mr. Francois Jabre, P.O. Box 478, Beirut, Lebanon
NEA/NE - Mr. William R. Crawford, Desk Officer, Lebanon-Israel Affairs

COPIES TO: NEA - 2 Amembassy BEIRUT - 2
NE - 2 DLF - 2

FILED

883a.05111/7-2861

Mr. Jabre, a Lebanese industrialist, explained that he had procured franchises for Lebanon for manufacture of an American soft drink and beer. Having encountered difficulties in Lebanon in obtaining desired credit from BCAIF, the commercial bank which had received a DLF loan for assistance to small businesses, he had come to this country to intercede personally with DLF. On arrival he had mentioned his problem to Mr. Strong and Mr. Hamilton of NE, who had provided necessary introductions to officials of the DLF. The latter, and particularly, Mr. Coffin, had been very understanding. Before departing for Lebanon he wished to inform the Department that he had been successful in obtaining a $200,000 loan for his business venture. He was most grateful for the assistance received.

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By PT NARA Date 7/23/04

AIR POUCH
HANDLING INDICATOR

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883a.05111/1-1062

FOREIGN SERVICE DESPATCH

FROM : AmEmbassy, Beirut — 362 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — January 10, 1962. DATE

REF :

JAN. 12 1962

35 For Dept. Use Only	ACTION	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR	E	P	IO	AID ~~IGA~~
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						11					1					

SUBJECT: Opportunity for Investment in a Pharmaceutical and Insecticides Manufacturing Plant in Beirut, Lebanon.

FOR COMMERCE

The Embassy transmits herewith an opportunity to participate in the capitalization, management and technique of the Middle East Pharmaceutical & Industrial Company (MEPHICO), S.A.L., a joint-stock company operating a pharmaceutical and insecticides manufacturing plant in Beirut, Lebanon.

The manager of the above-mentioned concern states that his firm would likewise desire to enter into an agreement with well known American concerns which may be interested in the manufacture of their brands of pharmaceuticals in this country under license. A World Trade Directory report on the Beirut firm is being forwarded to Washington under separate cover.

For the Ambassador,

Leslie C. Tihany
First Secretary of Embassy

ECON:JCWeisert:HAyoub:nm
REPORTER

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FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO:	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

JAN 29 1962

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Authority NND 949569
By PT NARA Date 7/23/04

(10)

INCOMING TELEGRAM *Department of State*

34

Action

OER

Info

RMR

CONFIDENTIAL

Control: 10169

Rec'd: MARCH 15, 1962
1:16pm

FROM: Beirut

TO: Secretary of State

NO: 869, March 15

Beirut 869

DEPTEL 692.

Assume WIROM refers to American Levant Shipping and Distributing Company (AMLEVCO) which is separate from and in no way affiliated with Levant Express.

Embassy has used AMLEVCO's packing and shipping services several years and considers company acceptable as agent for residence-to-residence HHE shipments.

MEYER

FH/4

893A.0511/3-1562

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By PT NARA Date 7/23/04

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HANDLING INDICATOR

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883a.05/11/5-2462

FOREIGN SERVICE DESPATCH

FROM : Amembassy BEIRUT

618
NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

May 24, 1962
DATE

REF : CERP D-13

JUN. 1 1962

For Dept. Use Only	ACTION	NEA-4	INFO	DEPT	RM/R	REP	AF	ARA	EUR	FE	NEA	CU	INR		P	IO	AID
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				OTHER	AGR	COM	FRB	INT	LAB	TAR	TR	XMB					
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	REC'D	6/4			AIR	ARMY	CIA	NAVY	OSD	OCB	USIA	PSA					
							7				8	3					

SUBJECT: INVESTMENTS: Visit to Beirut of Former Secretary of Treasury Robert B. Anderson

SUMMARY

Former Secretary of Treasury R.B. Anderson visited Beirut from May 15-20 for the purpose of investigating investment possibilities in tourism development projects. The reception accorded Mr. Anderson was most cordial and enthusiastic (except by the Communist press), but no concrete results have appeared thus far.

* * * * * * * * * * *

The Andersons, accompanied by their son Richard, arrived at 1915 hours on May 15, 1962 at Khalde International Airport in Beirut. They were greeted by Mr. Michel TOUMA, Director General of Tourism and the U.S. Commercial Attache. Present at the airport were also Messrs. Miles A. COPELAND, James M. EICHELBERGER, and John V. LUFKIN of Interser, Inc., an investment promotion concern with whom Mr. Anderson has an association. The Department had not notified the Embassy of this visit, whose prime purpose was to investigate the tourism development possibilities of Lebanon.

The Andersons were in Lebanon a total of five full days and stayed at the new Phoenicia-Intercontinental. They were entertained around the clock and visited most of the touristic sites of Lebanon. The Government of Lebanon cooperated wholeheartedly, providing plenty of transport including two helicopters, which on the first day took the Andersons to the Cedars. During his stay Mr. Anderson conferred in small groups and individually with the American Ambassador, plus several other Embassy officials. He called on President CHEHAB and visited with Lebanese property owners from the Cedars, Laklouk, and Faraya (the three leading ski resorts); most GOL officials concerned with tourism and economic development; all leading bankers, American and Lebanese; plus a representative segment of American

ECON:LCTihany/JCWeisert:jg
REPORTER

CONFIDENTIAL

FORM 6-61 FS-439 GPO 912596

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ACTION ASSIGNED TO-	ACTION TAKEN	
NAME OF OFFICER & OFFICE SYMBOL	DATE OF ACTION	DIRECTIONS TO RM/R

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By PT NARA Date 7/23/04

business in Beirut and of the Western embassies. The Anderson family is estimated to have met casually, at various cocktails and dinners given in their honor, over 1,000 persons. The American Ambassador gave a dinner in Mr. Anderson's honor at the residence on Thursday evening, May 17, 1962.

Mr. Anderson talked of joint Lebanese, European and American investment participation in Lebanon. No firm figures were mentioned, but Mr. Anderson did indicate that he might start with an initial investment of three million dollars and mentioned that, given proper feasibility studies plus reasonable land quantities and prices, his group (apparently formed mostly of New Yorkers and Texans) might be willing to invest as much as 30 to 35 million dollars.

Mr. Anderson departed Beirut Sunday, May 20, 1962 at 1930 hours on an MEA plane for Kuwait.

Publicity and press coverage were extensive and included three editorials. Independent AL HADAF opined that the talks with Anderson could not advance tourism one step as long as the Lebanese authorities themselves were not inclined to take positive steps to promote it. True to form, Communist daily AN NIDA and weekly AL AKHBAR deprecated the visit and claimed that Mr. Anderson was "carrying in his bag a new imperialist plot -- (so as to) find room for the investment of American capital in Lebanese projects in order to dominate the Lebanese economy."

The Embassy has not been able to ascertain whether during the visit Mr. Anderson or Interser, Inc. made any actual commitment to invest in Lebanese tourism development. Mr. Joseph SAAB, banker and owner of the Shangrila Hotel at Laklouk, told an Embassy officer that he is leaving for New York on June 5 in order to continue discussions concerning U.S. investment in the Laklouk area in which Mr. Anderson seems to have taken a special interest.

For the Ambassador:

Evan M. Wilson

Evan M. Wilson
Counselor of Embassy

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Authority NND 949569
By PT NARA Date 7/23/04

ORIGIN/ACTION NEA-10 (19)

DEPARTMENT OF STATE

AIRGRAM

(Departmental and Foreign Service)

983a.72/6-1262
VR 883a.05111

RM/R	REP	AF
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	FAA	CAB
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A-397
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CONFIDENTIAL

983.726
987.726

TO : Secstate Washington

INFO: Amembassy Baghdad A-138
Amembassy Damascus A-182

FROM : Amembassy Beirut

DATE: June 12, 1962

SUBJECT : DC-8s for LIA, Iraqi Airways Services and Syrian Arab Airlines?

REF : CERP D-16; Embdesp 638, June 7, 1962 and Baghdad Desp. 761, June 2, 1962.

(24)

Summary

A Lebanese International Airlines (LIA) official has allegedly been approached by a representative of Douglas Aircraft Corporation with a package proposal calling for (1) financial participation by Douglas in LIA, (2) lease-purchase of four DC-8s by LIA, two for sublease to Iraqi Airways Services and one for Syrian Arab Airlines and (3) American management for LIA. High Douglas officials are expected in Beirut within a few days to conclude an agreement with LIA.

****

Mr. Carlos ARIDA (protect source) of LIA called on the reporting officer last week to ascertain the Embassy's reaction to a proposal that a Douglas Aircraft representative, John W. SHAVER, had allegedly made to him in Rome recently. According to Arida, Douglas has immediately available some six DC-8s, which were returned by Delta Airlines in exchange for more modern fan-jet models. Shaver proposed that LIA obtain four of these DC-8s under a lease-purchase arrangement. LIA would retain one for its own use while two DC-8s would be subleased to Iraqi Airways Services (IAS) and one, to Syrian Arab Airlines (SAA). Douglas would buy into LIA and also arrange for American management of the airline. Shaver and a Douglas Vice President from California are expected to arrive in Beirut within a few days to conclude an agreement with LIA.

Arida thought that he could readily arrange a sublease for the DC-8s with IAS and SAA. He confessed that at a social affair in Baghdad last

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Contents and Classification Approved by: Mr. Wilson, Charge

Clearances: ECON - Mr. Tihany

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month, to which he was invited, Iraqi Foreign Minister Hashem JAWAD instructed Brigadier Nasir al-JANABI, Director General of IAS, to cancel the contract IAS had signed with Middle East Airlines (MEA) two months earlier for the sublease of two Comets. The cancellation was instigated by Arida's mentioning that Kuwait Airways had concluded a similar agreement with MEA. Janabi then asked Arida to get him some jets. Arida went immediately to Paris to discuss with Air France officials the possibility of leasing Caravelles. Air France reportedly told him that, until it could get additional Caravelles for Air Liban, it was in no position to lease jets to other Arab airlines. It was during a few days' stopover in Rome enroute to Beirut from Paris that Arida met Shaver.

Arida is confident that SAA would follow the lead of IAS in leasing a DC-8. He mentioned that Iraq was already assisting Syria in both civil and military aviation. In fact, SAA was receiving some sort of cash subsidy from IAS. Although MEA is trying very hard to conclude a Comet leasing arrangement with Syrian Arab Airlines, Arida expressed doubts whether MEA would be successful in view of the aforementioned IAS-SAA close cooperation.

All three airlines, according to Arida, would use the DC-8 to serve a greatly expanded route system.-- IAS to London was brought up.

COMMENT: The Embassy lent encouragement to the LIA-Douglas proposal, hoping that thereby Douglas might yet break the near monopoly that British jets have enjoyed among Arab airlines. It appears, however, that quick action by Douglas may be necessary since there are strong local rumors that Sud-Aviation will make Caravelles available to several Arab Airlines including IAS and SAA by signing a management contract with them as soon as Algeria becomes independent.

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ORIGIN/ACTION

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ARMY	CIA	NAVY
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DEPARTMENT OF STATE

AIRGRAM

17

883a.2553/11-962

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A-449 NO. | CONFIDENTIAL | AIR POUCH HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO : AMMAN, BAGHDAD, DAMASCUS, JIDDA

FROM : AmEmbassy BEIRUT

DATE: November 9, 1962

SUBJECT: Precautionary Security Measures for Tapline Installations

REF :

SUMMARY

Tapline has asked the Lebanese Government to provide additional protection to its installations. A Beirut newspaper has gotten wind of this and has fabricated a story of a Communist plot to sabotage Tapline and other American establishments in Lebanon.

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A report that the Lebanese Government had gotten word of a Communist plan to blow up Tapline's installations in South Lebanon as well as other American establishments in Lebanon was carried in independent daily As Safa on November 9. According to the newspaper, Tapline Vice President W. A. Campbell met with Prime Minister KARAME and Interior Minister JUMBLATT on November 8 to discuss security measures, and Lebanese security authorities were instructed to take appropriate steps to insure protection of Tapline.

On inquiry, the Embassy was informed by Mr. Campbell that, to the best of Tapline's knowledge, there is no threat of Communist sabotage of Tapline installations nor is there any danger to other American establishments. Mr. Campbell says that following the recent sabotaging by Communists and Castroists of American oil installations in Venezuela, Tapline was instructed by its parent company to tighten security precautions around its installations. Accordingly, Tapline approached the Mohafez of South Lebanon, Mr. Ghaleb TURK, to ask the Lebanese

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Lebanese authorities to take some additional precautions. Mr. Campbell says the Mohafez offered to cooperate fully, and has reported the matter to the Government in Beirut. Mr. Campbell commented that As Safa's story is apparently largely fabrication based upon a leak of his approach to Mr. Turk. He stressed that he had not met with Prime Minister Karame and that the measures taken are purely precautionary.

AHM

Armin H. Meyer

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(Drafting Office and Officer)

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DEPARTMENT OF STATE

(38) **Memorandum of Conversation**

DATE: January 30, 1963

SUBJECT: Airwork Corporation Interest in Aviation Engine Overhaul Facility in Beirut

PARTICIPANTS: Mr. T. L. Thorn, Assistant to Vice President, Sales, Airwork Corporation, Millville, New Jersey
NE/E - Enoch S. Duncan
AV - Charles Mueller
NE/E - Slator C. Blackiston, Jr.

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NE - 2
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AV - 1
INR - 8
AmEmbassy BEIRUT (1 cc)

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Mr. Thorn explained that his company was principally engaged in aviation engine overhauling operations. It has a number of customers outside of the United States, including Saudi Airlines and Trans-Mediterranean Airlines (TMA). Recently, Munir Abu Haidar of TMA had approached Airwork regarding the possibility of establishing a piston engine overhaul facility in Beirut, either through capital participation with TMA or through a management contract with TMA providing the plant. MEA had also expressed interest in having Airwork establish an engine overhaul facility in Beirut. For competitive reasons TMA would be unwilling to share an engine overhaul facility with MEA. Mr. Thorn said that he had discussed these proposals with Mr. Ennis, our Civil Air Attache in Beirut.

Mr. Thorn noted that the British were interested in entering this field either by establishing an engine overhaul facility in Beirut or in Cyprus. Likewise, Air France and Sabina have expressed some interest in setting up such repair stations. If a facility were created in the Near East, Airwork would necessarily lose some of the business it is now obtaining from the airlines in the area. The TMA proposal had attraction as a management contract arrangement since Airwork did not have the capital to make an investment itself. According to Abu Haidar some $300,000 of BCAIF subloans were available to TMA. Mr. Thorn wondered whether this money might not be used to establish the repair facility.

There was a discussion of the possibility of the repair stations obtaining Air Force contracts. Mr. Duncan said that this involved balance of payments questions. He believed that the Air Force was reducing the amount of such work done overseas.

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